

LINE ITEM AND BOILERPLATE SUMMARY

HISTORY, ARTS, AND LIBRARIES

**Fiscal Year 2002-03
Public Act 523 of 2002
House Bill 5647**

As Enacted



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December 2002

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December 2002

To: Members of the House of Representatives

We have prepared a Line Item Summary for each of the FY 2002-03 appropriation acts. Each Summary contains line-by-line detail, including the amount and purpose of each appropriation line and information regarding related boilerplate sections, for a specific appropriation act. Following the line item detail, we have included a section that provides a brief explanation of each boilerplate section in the appropriations bill. Please note that ~~strikeouts~~ in this report show the effects of vetoes.

This Line Item Summary explains line items in the *enacted* History, Arts, and Libraries Appropriations Bill, Public Act 523 of 2002. Steve Stauff, Fiscal Analyst, prepared this report with assistance from Julie Stapelman, Budget Assistant.

If you would like to obtain a Line Item Summary for a particular budget area, please contact Jeanne Dee, Administrative Assistant, at 373-8080.

Mitchell E. Bean, Director

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GLOSSARY

Frequently-Used State Budget Terms

Adjusted Gross

Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs)

Boilerplate

Specific language sections contained in an appropriations act which direct, limit or restrict line item expenditures, and/or require reports

Budget Stabilization Fund (BSF)

The countercyclical economic and budget stabilization fund—also known as the "rainy day" fund

Federal Revenues

Federal grant or matchable revenues dedicated to specific programs

General Fund/General Purpose (GF/GP)

The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues

Gross Appropriations (Gross)

The total of all applicable line item spending authorizations

Interdepartmental Grant (IDG)

Revenue or funds received by one state department from another state department (usually for a service the receiving department provides)

Intradepartmental Transfer (IDT)

Transfers or funds being provided from one appropriation unit to another in the same department

Lapses

Unspent/unobligated funds remaining in line item accounts at the end of the fiscal year

Line Items

Specific funding amount in an appropriations bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes)

Local Revenue

Revenues from local units of government

State Restricted (Restricted Funds)

State revenue dedicated to a specific fund; revenue which results from state mandates or initiatives; used for used for specific programs pursuant to the Constitution or statute

Private Funds

Revenues from non-government entities such as rents, royalties or interest payments, payments from hospitals, payments from individuals, and gifts and bequests

School Aid Fund (SAF)

The primary funding source for K-12 schools and Intermediate School Districts (ISDs)

Work Project

An account established to allow for certain specific unspent funds to be carried over from one fiscal year to a succeeding fiscal year or years

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

The Department of History, Arts, and Libraries was established by Public Acts 61 through 79 of 2001, transferring the following programs from other executive agencies to the created department: Michigan Council for Arts and Cultural Affairs, from the Department of Consumer and Industry Services; Mackinac Island State Park Commission, from the Department of Natural Resources; Historical Program, from the Department of State; and Film and Television services, from the Michigan Strategic Fund/Michigan Economic Development Corporation. These acts also incorporated the Michigan Library that had been administered by the Legislature.

The Department of History, Arts, and Libraries' mission statement is "To enrich the quality of life for Michigan residents by providing access to information, preserving and promoting Michigan heritage, and fostering cultural creativity."

The Department of History, Arts, and Libraries administers programs in four major areas: arts and cultural affairs, which includes administration of Michigan's Arts and Cultural Grants program; Mackinac Island State Park Commission, which oversees operational activities at the Mackinac Island State Park, the Michilimackinac State Park and the Mill Creek State Park; historical program, which includes historical museum system, historical publications, archaeological, and lighthouse preservation activities; library services, providing reference services to the public and legislative, executive and judicial branches of state government, as well as assisting public libraries statewide.

Full-time equated unclassified positions	6.0	Full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	241.5	Full-time equated (FTE) positions in the state classified service.
Total full-time equated positions	247.5	Total number of all full-time equated positions (includes classified and unclassified). <i>Note: based on 2,088 hours for 1.0 FTE position</i>
GROSS APPROPRIATION	\$59,586,200 \$71,486,200	Total of all applicable line item appropriations.
Total interdepartmental grants and intradepartmental transfers	0	Total of all grants from other departments and transfer of funds.
ADJUSTED GROSS APPROPRIATION	\$59,356,200 \$71,486,200	Net of gross appropriations, interdepartmental grants, and intradepartmental transfers.
Total federal revenues	8,111,300	Total federal grant or matchable revenues.
Total private revenues	577,400	Total private grant revenues.
Total other state restricted revenues	1,900,900	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
GENERAL FUND/ GENERAL PURPOSE	\$48,996,600 \$60,896,600	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 102: DEPARTMENT OPERATIONS

The Department Operations Unit provides funding for individuals performing policy and decision-making functions for the Department as well as funding for departmentwide costs.

Full-time equated unclassified positions	6.0	Full-time equated (FTE) positions authorized.
Full-time equated classified positions	26.0	FTE positions in the classified service of the state. <i>Note: based on 2,088 hours for 1.0 FTE position</i>
Unclassified salaries - 6.0 FTE positions	219,400	Salary of the Department director. The remaining 5.0 FTEs and funding for them are yet to be determined. Funding Source(s): GF/GP 219,400 <i>Related Boilerplate Section(s): 204, 205, 207, 208, 209, 210, 211</i>
Management services - 25.0 FTE positions	2,103,600	Funding for all central management services of the Department. Funding Source(s): GF/GP 2,103,600 <i>Related Boilerplate Section(s): 204, 205, 207, 208, 209, 210, 211</i>
Building occupancy charges and rent	2,739,300	Rent and property management charges paid for the use of state-owned facilities and privately owned facilities. Funding Source(s): GF/GP 2,739,300 <i>Related Boilerplate Section(s): 207, 208, 209, 210, 211</i>
Worker's compensation	34,000	Payment of worker's compensation premiums in accordance with provisions of the Worker's Compensation Act. Funding Source(s): GF/GP 34,000 <i>Related Boilerplate Section(s): 207, 208, 209, 210, 211</i>
Office of film and television services - 1.0 FTE position	143,500	Promotion of Michigan as a location site for movie and television productions. Funding Source(s): GF/GP 143,500 <i>Related Boilerplate Section(s): 204, 205, 207, 208, 209, 210, 211</i>
GROSS APPROPRIATION	\$5,239,800	Total of all applicable line item appropriations.
GENERAL FUND/ GENERAL PURPOSE	\$5,239,800	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 103: INFORMATION TECHNOLOGY

This appropriation unit contains funds for information technology services and projects administered by the Department of Information Technology that was created by Executive Order 2001-3.

Information technology services and projects	1,166,100	Funding designated for technology costs; funded from History, Arts, and Libraries, and administered by the Department of Information Technology.
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Funding Source(s): GF/GP 1,166,100

Related Boilerplate Section(s): 213, 214

GROSS APPROPRIATION	\$1,166,100	Total of all applicable line item appropriations.
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GENERAL FUND/ GENERAL PURPOSE	\$1,166,100	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.
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SECTION 104: MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

These appropriations provide for the state's Arts and Cultural Grants program as well as for staff and administrative support for the Michigan Council for Arts and Cultural Affairs (MCACA). The mission of the Council is to encourage, develop, and facilitate an enriched environment of artistic, creative, and cultural activity in Michigan. The Council is also responsible for distribution of the Arts grants and administration of ten separate grant programs that provide funding to various arts and cultural organizations and arts education programs throughout the state. The Council is made up of 15 members appointed by the governor to serve three-year terms.

Full-time equated classified positions	10.0	Full-time equated (FTE) positions in the state classified service. <i>Note: based on 2,088 hours for 1.0 FTE position</i>
Administration - 10.0 FTE positions	839,100	Staff and administrative support for the Michigan Council for Arts and Cultural Affairs. Council and its staff administer distribution of the appropriation for arts and cultural grants, set goals to strengthen arts and culture in the state, support arts education, broaden cultural awareness, establish and facilitate communication networks, and expand and develop funding resources for arts and cultural activities. Funding Source(s): GF/GP 839,100 <i>Related Boilerplate Section(s): 204, 205, 207, 208, 209, 210, 211, 301</i>
Arts and cultural grants	11,642,600 23,542,600	Funding for the 11 major grants programs: Anchor Organization Program; Arts Projects Program; Arts and Learning Program; Artists in Schools Program; Arts Organization Development Program; Capital Improvement Projects for Cities, Villages, and Townships (CVT) Program; Local, Regional, or Statewide Arts Agencies Services Program; Regional Regranting Program; Partnership Program; Discretionary Grants Program; Rural Arts and Cultural Projects. These programs provide matching funds to arts organizations and arts projects throughout the state. Funding Source(s): Federal 700,000 GF/GP 22,842,600 <i>\$11,900,000 is restored due to cigarette tax increase. Related Boilerplate Section(s): 206, 207, 208, 209, 210, 211</i>
GROSS APPROPRIATION	\$12,481,700 \$24,381,700	Total of all line item appropriations.
Total federal revenues	700,000	Total federal grant or matchable revenues.
GENERAL FUND/ GENERAL PURPOSE	\$11,781,700 \$23,681,700	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 105: MACKINAC ISLAND STATE PARK COMMISSION

This unit provides funding for oversight of operational activities at the Mackinac Island State Park, the Michilimackinac State Park and the Mill Creek State Park.

Full-time equated classified positions	47.8	Full-time equated (FTE) positions in the state classified service. <i>Note: based on 2,088 hours for 1.0 FTE position</i>
Mackinac Island park operations - 22.8 FTE positions	1,541,300	Includes all non-historical facility portions of the Mackinac Island State Park, Michilimackinac State Park, and Mill Creek State Park. These park facilities include nearly 2,400 acres, roads and trails, public utility sites, security, recreational facilities, docks, beaches, nature centers, and an airport. Supervision of leases, franchises, and concessions is also provided. Programs serve more than 800,000 park visitors during the five-month season. General funds support 65 non-revenue producing historic buildings. Funding Source(s): Restricted 76,400 GF/GP 1,464,900 <i>Related Boilerplate Section(s): 204, 205, 206, 207, 208, 209, 210, 211</i>
Historical facilities system - 25.0 FTE positions	1,409,500	Operates historic buildings and museums; operational costs of historical facilities are supported from user fees. Funding Source(s): Restricted 1,037,600 GF/GP 371,900 <i>Related Boilerplate Section(s): 204, 205, 206, 207, 208, 209, 210, 211</i>
GROSS APPROPRIATION	\$2,950,800	Total of all applicable line item appropriations.
Total state restricted revenues	1,114,000	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
GENERAL FUND/ GENERAL PURPOSE	\$1,836,800	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 106: MICHIGAN HISTORICAL PROGRAM

This appropriation unit provides funding for the maintenance and preservation of Michigan records and archives and provides advice on historic site management.

Full-time equated classified positions	78.7	Full-time equated (FTE) positions in the state classified service. <i>Note: based on 2,088 hours for 1.0 FTE position</i>
Federal programs - 14.9 FTE positions	1,853,900	<p>State Historic Preservation Office identifies and protects historic sites through research and registration programs, planning, technical assistance, public education, and compliance with federal laws.</p> <p style="text-align: right;">Funding Source(s): Federal 1,853,900</p> <p><i>Related Boilerplate Section(s): 204, 205, 206, 207, 208, 209, 210, 211</i></p>
Heritage publications	700,000	<p>Publishes various materials relating to Michigan history; supported by the Heritage Publication Fund, a revolving fund. Primary publication is the <i>Michigan History Magazine</i>, a bimonthly periodical with a subscription base of more than 32,000.</p> <p style="text-align: right;">Funding Source(s): Restricted 700,000</p> <p><i>Related Boilerplate Section(s): 206, 207, 208, 209, 210, 211</i></p>
Historical administration and services - 63.8 FTE positions	4,940,800	<p>Funds administration of the Michigan History Program, which preserves and interprets Michigan's past. As noted below, there are five sections.</p> <p><u>Michigan Historical Museum System</u>: Consists of the Michigan Historical Museum in Lansing, nine field museums, and one historic site.</p> <p><u>State Archives</u>: Cares for state and local government records that have been determined to have enduring value; provides services to government, businesses, researchers, and the general public. Also provides assistance to local units of government in the areas of land records, probate records, and circuit court records management.</p> <p><u>Office of the State Archeologist</u>: Advises state agencies about management of sites and approving permits for archeological studies on state lands. Shares responsibility with the Department of Environmental Quality for implementing state law on shipwrecks, serves as the statewide repository for information on more than 15,000 archeological sites, and provides archeological expertise to the federally-funded Historic Preservation program.</p> <p><u>State Historic Preservation Office</u>: Identifies, evaluates, registers, interprets, and protects Michigan's wealth of historic buildings and landscapes with a variety of services, training, and grant opportunities. Also reviews nominations to the National Register of Historic places and oversees the Michigan Historical Marker program, the Centennial Farms program, the Certified Local Government program, and the Historical Preservation Tax Credit Program.</p>

continued

Historical administration and
services - 63.8 FTE positions
continued

Publications Section: Administers publication of the *Michigan History Magazine*. Staff writes a portion of the material, edits all material, assists with design, manages private contracts, and develops advertising and promotional activities. Section also produces various brochures, pamphlets, and booklets explaining historical programs administered by the Center and the *Michigan History for Kids* magazine.

Also included are the following:

Mann House: Funds the Mann House in Concord, Michigan. Source of financing is a private bequest for operation of the house.

Lighthouse Program: Funds a grant program to assist with preservation of Michigan lighthouses that are being transferred from federal ownership. Grants are limited to \$20,000 maximum and are not available for operational purposes. Some of the appropriations may be used by the Department for program administration.

Funding Source(s): GF/GP 4,940,800

Related Boilerplate Section(s): 204, 205, 207, 208, 209, 210, 211, 212, 301, 503, 504, 505, 506

Private grants and gifts	502,400	Authorizes the Department to receive and expend private grants and gifts. Includes the State Historical Marker program that is paid for by the marker sponsors, and the Centennial Farm Marker program that is paid for by local utilities.
		Funding Source(s): Private 502,400

Related Boilerplate Section(s): 206, 207, 208, 209, 210, 211

Thunder Bay national marine sanctuary and underwater preserve	250,000	Funds the Thunder Bay National Marine Sanctuary and Underwater Preserve that manages the collection of shipwrecks in the bottomlands of Thunder Bay.
		Funding Source(s): GF/GP 250,000

Related Boilerplate Section(s): 207, 208, 209, 210, 211

GROSS APPROPRIATION	\$8,247,100	Total of all applicable line item appropriations.
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Total federal revenues	1,853,900	Total federal grant or matchable revenues.
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Total private revenues	502,400	Total private grant revenues.
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Total other state restricted revenues	700,000	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
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GENERAL FUND/ GENERAL PURPOSE	\$5,190,800	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.
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SECTION 107: LIBRARY OF MICHIGAN

The Library of Michigan is charged primarily with providing reference services to the Executive, Legislative, and Judicial branches of state government, and to the general public. As the fourth largest state library in the nation, the Library maintains a collection of over three million books, millions of state and federal government publications, Michigan newspapers on microfilm, magazines and other periodicals, and one of the country's leading collections on family history. The Library of Michigan also assists public libraries statewide. Workshops and training seminars are conducted by Library of Michigan staff to train librarians and library trustees in the areas of technology, administration, finance, and patron services.

As the administrative agency, the Library distributes state aid funding to Michigan public libraries and public library cooperatives; federal funds are distributed annually to support Michigan libraries through statewide projects, competitive grant projects, and subgrant projects dedicated to a specific area of statewide interest. The Library of Michigan is linked to the Library of Congress, and is the state agency responsible for library services to the blind and to persons with disabilities. Students and senior citizens use these services widely through the Library of Michigan and through a network of subregional libraries.

Full-time equated classified positions	79.0	Full-time equated (FTE) positions in the state classified service.
Book distribution centers	308,400	<p>Funds the Book Distribution Program, a state-funded service administered by the Library which provides donated reading and educational materials free of charge to eligible recipients based on federal guidelines. Eligible recipients include adult basic education students; migrant, bilingual, and special education students; veterans' homes and hospitals; sheltered workshops; state prison camps and institutions; low-income senior citizens; substance abuse programs; homes for the abused; and adult literacy students.</p> <p style="text-align: right;">Funding Source(s): GF/GP 308,400</p> <p style="text-align: right;"><i>Related Boilerplate Section(s): 207, 208, 209, 210, 211</i></p>
Collected gifts and fees	161,900	<p>Authorizes the Library to receive contributions, bequests, devises, user fees, grants, and donations from private individuals and agencies for the purpose of promoting, continuing, or accomplishing a specific project or task that supports the mission of the Library.</p> <p style="text-align: right;">Funding Source(s): Private 75,000 Restricted 86,900</p> <p style="text-align: right;"><i>Related Boilerplate Section(s): 206, 207, 208, 209, 210, 211, 212</i></p>
Grand Rapids public library	199,200	<p>Provides state-funded assistance to the Grand Rapids Public Library. Funds are used to provide library reference and interlibrary loan services to other libraries in the state.</p> <p style="text-align: right;">Funding Source(s): Federal 64,800 GF/GP 134,400</p> <p style="text-align: right;"><i>Related Boilerplate Section(s): 207, 208, 209, 210, 211</i></p>

Grant to the Detroit public library	2,877,100	Provides state-funded assistance to the Detroit Public Library, Michigan's largest public library, in support of its role as a statewide resource to Michigan's citizens. Funds are used to provide library reference and interlibrary loan services to other libraries in the state.
		Funding Source(s): Federal 935,200 GF/GP 1,941,900

Related Boilerplate Section(s): 206, 207, 208, 209, 210, 211

Library of Michigan operations - 79.0 FTE positions	7,577,900	Pays for some operational costs associated with the Library of Michigan. Operational costs include salaries, benefits, telephone, equipment, postage, travel, purchased services and contracts, subscriptions, microforms, magazines, books, book preservation, office and maintenance supplies, printing, and operations of the Law Library. Includes funding for a portion of the statewide contract for Access Michigan, a program that provides database access to Michigan's public, school, academic and special libraries. The Statewide Database Access project is a compilation of computer files and lists that provide a subject organization for selected sources of information found on the internet.
		Funding Source(s): GF/GP 7,577,900

Related Boilerplate Section(s): 204, 205, 207, 208, 209, 210, 211, 215, 301

Library services and technology act	4,557,400	The Library Services and Technology Act (LSTA) provides federal funding to libraries throughout the state in the form of subgrants. Provides funding for special projects in the state's libraries, for assisting libraries that serve persons with disabilities, for providing Internet access grants and training centers around the state, for encouraging library technology and networking among all types of libraries, for encouraging multi-type library cooperation for the purpose of improving citizen access to information, and for providing outreach services to individuals who are having difficulty using a library. The Library of Michigan serves as the administrative agency that plans and monitors the use of the three categories of subgrants.
		Funding Source(s): Federal 4,557,400

Related Boilerplate Section(s): 206, 207, 208, 209, 210, 211

Renaissance zone reimbursement	657,100	Reimburses payments to public libraries which lose money from their levies due to the presence of a Renaissance Zone within their taxing authority. Section 12 of the Michigan Renaissance Zone Act eliminates the portion of property taxes that are designated for libraries, and provides for reimbursement of that revenue to libraries in order to hold them harmless.
		Funding Source(s): GF/GP 657,100

Related Boilerplate Section(s): 207, 208, 209, 210, 211, 654

State aid to libraries	13,327,000	<p>Provides state-funded assistance to public libraries, as a supplement to local funding, to ensure that all Michigan residents have access to library services. State aid funding provides books and materials, staff training, interlibrary loan services, and document delivery services in order to link libraries together. Public Act 89 of 1977 establishes eligibility requirements that public libraries or library cooperatives must meet in order to qualify for state aid and sets the amount of funding to be distributed to each qualified library in the form of five different grants. The Library of Michigan administers the funding, monitors the requirements and payment systems, and publishes an annual report that summarizes statistical information gathered on state aid.</p> <p>Funding Source(s): GF/GP 13,327,000</p> <p><i>Related Boilerplate Section(s): 207, 208, 209, 210, 211</i></p>
Subregional state aid	561,200	<p>Supports the service of distributing free reading materials that are made available to all Michigan residents who cannot see or read regular print due to a physical disability. Free reading materials include books and magazines recorded on audiocassette, flexible disc, and in Braille; cassette and disc-playing equipment and accessories; and audio and closed-captioned films. Appropriation is divided equally among eleven subregional libraries and one regional library for the blind and for persons with disabilities.</p> <p>Funding Source(s): GF/GP 561,200</p> <p><i>Related Boilerplate Section(s): 207, 208, 209, 210, 211, 651, 652</i></p>
Wayne County library for the blind and physically handicapped	46,600	<p>Funds the Wayne County Regional Library for the Blind and Physically Handicapped, which provides reading materials to the blind and to persons with disabilities in Wayne County.</p> <p>Funding Source(s): GF/GP 46,600</p> <p><i>Related Boilerplate Section(s): 207, 208, 209, 210, 211</i></p>
GROSS APPROPRIATION	\$30,273,800	Total of all applicable line item appropriations.
Total federal revenues	5,557,400	Total federal grant or matchable revenues.
Total private revenues	75,000	Total private grant revenues.
Total other state restricted revenues	86,900	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
GENERAL FUND/ GENERAL PURPOSE	\$24,554,500	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 108: EARLY RETIREMENT AND BUDGETARY SAVINGS

This appropriation unit contains the budgetary savings and the net early retirement savings to be achieved by the Department.

Early retirement savings	(146,300)	Savings to be achieved from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the State Employees Retirement Act.
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Funding Source(s): GF/GP (146,300)

Related Boilerplate Section(s): 261

Budgetary savings	(626,800)	Savings to be achieved from an imposed hiring freeze, efficiencies, and other savings identified by the Director of the Department and approved by the State Budget Director equivalent to 1% of the total GF/GP from the original Executive recommendation.
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Funding Source(s): GF/GP (626,800)

Related Boilerplate Section(s): 261

GROSS APPROPRIATION	(\$773,100)	Total of all applicable line item appropriations.
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GENERAL FUND/ GENERAL PURPOSE	(\$773,100)	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.
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BOILERPLATE SECTION INFORMATION

Sec. 201. State Spending and State Appropriations Paid to Local Units of Government

Specifies the total state spending amount and state appropriations to be paid to local units of government contained in this appropriations act.

Sec. 202. Appropriations Subject to the Management and Budget Act

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. Acronym Definitions

Describes acronyms contained within this appropriations act.

Sec. 204. Civil Service 1% Charge

Requires the Department of Civil Service to bill departments for the 1% charge authorized by the State Constitution by the end of the first fiscal quarter, and requires departments to pay the billing by the end of the second fiscal quarter.

Sec. 205. State Classified Civil Service Hiring Freeze

Imposes a hiring freeze on the state classified civil service, permits exceptions, and requires a report on the number of exceptions granted, to include justification for the exceptions.

Sec. 206. Contingency Funds

Authorizes the Department to receive amounts not to exceed \$1.0 million in federal, \$1.0 million in state restricted, \$100,000 in local, and \$750,000 in private contingency funding; requires that the funding be transferred to another line item via the legislative transfer process in order to be available for expenditure.

Sec. 207. Privatization Plans

Requires Department to submit a complete project plan 60 days prior to beginning any effort to privatize, and requires an evaluation of the privatization initiative within 30 months.

Sec. 208. Internet Reporting

Requires the Department to continue to use the internet for fulfilling reporting requirements in this act; authorizes transmission of reports via e-mail; requires notification in writing to the subcommittees and fiscal agencies of the Internet sites of reports; requires a quarterly listing of reports submitted; requires that the option of receiving reports in printed format continue to be available.

Sec. 209. American Goods and Services

Prohibits the purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available.

Sec. 210. Business in Deprived and Depressed Communities

Requires the directors of departments to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts.

Sec. 211. Affirmative Action Programs

Requires that the Department, in order to receive GF/GP funding, follow the guidelines developed by the state equal opportunity workforce planning council.

Sec. 212. Acceptance/Appropriation of Grants, Donated Items and Funds

Allows the Department to receive and expend contributions, gifts, bequests, devises, user fees, grants and donations. These funds may be carried over by the Department for expenditure in following fiscal years.

Sec. 213. Department of Information Technology User Fees

Requires the Department to pay user fees to the Department of Information Technology for technology-related services and projects.

Sec. 214. Information Technology Work Projects

Designates funding appropriated for information technology as work projects.

Sec. 215. Statewide Database Access Expenditure Tracking

Requires the Department to maintain accounting structure that will track costs related to the Statewide Database Access appropriation line rolled up into the Library of Michigan Operations line.

Sec. 261. Early Retirement and Budgetary Savings

States that the early retirement negative appropriation in part 1 will be satisfied with savings to be realized from unfilled positions due to the early retirement plan. The negative appropriation for budgetary savings will be satisfied by a hiring freeze and other savings.

Sec. 262. Cigarette Tax Increase Condition

Appropriates an additional \$11.9 million for arts and cultural grants contingent on a tax increase of 30 cents per pack of cigarettes occurring on or before September 30, 2002.

Sec. 301. Per Diem Payments

Sets the per diem payment at \$50 per day for all commissions and boards funded from appropriations in Part 1.

Sec. 401. (1) Criteria for Grant Application

Mandates to the Michigan Council for Arts and Cultural Affairs administration of all arts and cultural grant appropriations. Language empowers the council to evaluate grant requests, evaluate program quality, consider geographic equity in awarding grants, and provide guidance as to who may apply for grants and for what purposes.

Sec. 401. (2) Provision of Rationale for Denial

Requires the council to provide unsuccessful grant applicants written rationale for their denial as well as advice on how to become eligible for future funding.

Sec. 401. (3) Local and/or Private Match to Appropriated Grant Funds

Requires a local and/or private match to appropriated grant funds; matching fund amounts must be substantiated by the recipient agencies.

Sec. 401. (4) Grant Agreements

Requires each grant recipient to have a grant agreement with the Department which specifies applicable criteria included in this section and a listing of the projects funded.

Sec. 401. (5) Reporting Requirements

Requires entities receiving funds from this section to submit to the council a final report covering the grant period. Language requires submission of an audit and annual report if an awardee receives grants greater than \$100,000.

Sec. 401. (6) Notification Requirement to Legislators

Requires the Department to provide a list of grant awardees, within one day following the final council vote, to the subcommittees and each legislator whose district is receiving a grant from arts and cultural grants funds.

Sec. 401. (7) Grant Application Fees Usage

Allows the Department to collect grant application fees to be used for direct and indirect cost recovery.

Sec. 401. (8) State Art Anchor Organization Grants Funding Limitations

Requires that the council ensure that all organizations receiving state arts anchor organization grants have combined grant awards of no more than 15.0% of operating revenue for the fiscal year ending September 30, 2005, and beyond.

Sec. 401. (9) Encouraging Professionally-Directed Operations

States that the council shall continue to encourage nonprofit arts and cultural organizations to move from a solely volunteer based organization to professionally-directed operations.

Sec. 401. (10) Limiting Grant Awards

Requires that any organization receiving grants within the anchor organization category in excess of 10.0% of their operating revenue for fiscal year ending September 30, 2002, shall not receive a combined grant award from all grant categories, except the partnership program, that is greater than the combined grant award from these categories that the organization received for the fiscal year ending September 30, 2002.

Sec. 401. (11) Regional Regranting Program

Guides the council on distribution of funds granted through the regional regranting program. Council provides for an annual assessment of grant management and distribution of mini-grant awards.

Sec. 401. (12) Anchor Organization Program Awards

Suggests that the council provide awards in the anchor organization program not to exceed 65% of the total appropriated for arts and cultural grants.

Sec. 401. (13) Arts Grants Reports

Requires that Department provide a report to the appropriations subcommittees, the state budget office and the fiscal agencies due 30 days after the annual grant awards are made and a second report due when materials are first distributed by the council seeking grant applications for the subsequent fiscal year.

Sec. 501. Historic Site Preservation Grants

Authorizes \$1.4 million in federal funds for Historic Site Preservation grants; authorizes the funding as a work project account.

Sec. 502. Michigan Heritage Fund

Appropriates funds collected for the Michigan Heritage Fund; and authorizes the fund as a work project account.

Sec. 503. *Museum Store*

Exempts the museum store from purchasing requirements contained within 1984 PA 431, the Management and Budget Act.

Sec. 504. *Preserving Michigan Lighthouses*

Establishes guidelines for grants to transfer from federal ownership and/or preserve Michigan lighthouses.

Sec. 505. *Michigan Freedom Trail Commission and Status Notification*

Appropriates \$71,200 to support operations of the Michigan Freedom Trail Commission; requires report on the status of the freedom trail commission.

Sec. 506. *Application Fees for State Historic Sites*

Describes application fees and their use for each application submitted for property designated as a state historic site; provides for deposit of fees into a revolving account; limits fund expenditures to correcting, repairing, or replacing historic markers.

Sec. 651. *Local Support for Subregional Library Services*

Requires local units of government to maintain their local support for subregional library services in order to receive Subregional State Aid.

Sec. 652. *Approval of Budgets for Subregional Libraries*

Requires approval of budgets for subregional libraries by the Department prior to release of state funding.

Sec. 653. *Computerized Databases*

Requires the appropriation for Statewide Database Access to be used to set up computerized data bases, search those data bases, and make products of those searches available through libraries of Michigan.

Sec. 655. *Grand Rapids and Detroit Public Library Grants Report*

Requires the Department to submit a report to the senate and house committees on appropriations that details the use of funds appropriated to the Grand Rapids and Detroit Public Libraries.



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